



DEPARTMENT OF THE NAVY  
NAVAL EDUCATION AND TRAINING PROFESSIONAL  
DEVELOPMENT AND TECHNOLOGY CENTER  
6490 SAUFLEY FIELD ROAD  
PENSACOLA, FLORIDA 32509-5237

IN REPLY REFER TO:

NETPDTCINST 5370.2A

N86

05 JUN 2002

**NETPDTC INSTRUCTION 5370.2A**

Subj: **GENERAL POLICY REGARDING CONTRACTOR AND GOVERNMENT  
EMPLOYEE WORKING RELATIONSHIPS**

Ref: (a) Federal Acquisition Regulations  
(b) NETPDTCINST 5111.1

1. **Purpose.** To publish policy guidance related to the proper working relationship between government employees and contractor personnel within NETPDTC.

2. **Cancellation.** NETPDTCINST 5370.2

3. **Revision.** Since this is a major revision, marginal notations are not annotated. This revision should be read in its entirety.

4. **Policy.** In accordance with reference (a), the following general policy statements govern the proper working relationship between NETPDTC employees and contractor personnel.

a. This instruction provides general guidance for determining proper and improper working relationships where contractor employees are co-located with military and/or government civilian personnel. Guidelines for acquiring and using contractor services are outlined in the Federal Acquisition Regulation, Part 37, and are augmented by various Department of Defense and Navy specific instructions. Policy regarding communications between government and contractor personnel is detailed in reference (b). This instruction is not intended to be all-inclusive. Unresolved questions regarding service contracts should be forwarded to the Contracting Officer for the applicable contract or to the activity's legal office.

b. Normally, the Navy contracts for the performance of services when it is cost effective or when cutbacks in manpower authorizations make contracting for services a necessity. The Statement of Work section of a service contract defines the

**05 JUN 2002**

services the contractor is required to perform and describes any required deliverable items. Frequently, the Statement of Work for a service contract includes the minimum personnel qualifications required for contractor employees. During contract performance, the contractor's obligations and responsibilities are specifically restricted to those identified in the contract.

c. Government personnel may not direct or request the contractor to hire specific individuals for performance of services under a government contract. The recruitment and selection of contractor employees is the sole responsibility of the contractor. The contractor is responsible for providing qualified employees who satisfy the personnel qualification requirements of the contract.

d. Government personnel are prohibited from directly or indirectly supervising contractor employees. The appearance of an employer/employee relationship between government and contractor personnel must be avoided. The supervision of contractor employees is a feature of personal services contracts, which are permitted only when specifically authorized by statute.

e. Pay, work hours, leave, and benefits for contractor employees are determined solely by the contractor consistent with U.S. law, Department of Labor guidelines if applicable, and prevailing market conditions. Government personnel are prohibited from directing, or attempting to influence, the level of pay and benefits provided to contractor personnel. Additionally, the contractor is responsible for establishing work schedules for contractor personnel to satisfy the requirements of the contract. Government personnel may not direct contractor employees to deviate from their normal work schedules unless expressly authorized under the contract. Policies governing paid time off for Federal civilian employees and contractor personnel will, most likely, be substantially different. Government personnel may not be involved in matters regarding contractor leave (e.g., approval of leave, amount of leave, etc.). In cases where the government workforce at the site of contract performance is provided administrative leave (e.g. Christmas Eve, hurricane evacuations), the matter of concurrent paid time off for contractor personnel should be referred to the appropriate Contracting Officer.

f. Government personnel shall not direct contractor employees on the services the contractor must provide or how

05 JUN 2002

specific duties should be performed. Such direction from an unauthorized government employee could result in a constructive change to the contract. The government may be financially liable for a constructive change to the contract that increases the contractor's cost of performance. Government personnel are also prohibited from assigning work to contractor employees without the proper authorization. These procedures will be defined in the contract and enforced by Contracting Officers and their representatives. Questions by government personnel concerning the contractor's duties should be directed to the Contracting Officer or to the Contracting Officer's Representative (COR).

g. Government personnel shall also be cautious in directing contractor employees to attend command sponsored events or informational meetings unless specifically required by the contract. Such actions could be considered outside the scope of the contract and could potentially impact the contractor's efforts to perform required services. Contractor personnel may attend meetings such as the All Hands meeting if the government deems it necessary for performance of services and if contractor management allows the employees to attend. **Based on these criteria, contractor employees are normally not allowed to attend All Hands meetings.** When government personnel receive administrative or excused time off for command events such as Fun Day or the Command picnic, contractor employees are not necessarily granted time off for these events as well. However, unless prohibited by the contract, contractor personnel are normally welcome at these command events if contractor management authorizes their participation. **Contractor employee participation in command events shall be at no additional cost to the government and shall not impact contractor performance of required services.** Contractor personnel may attend activities during their non-duty hours such as lunchtime functions (e.g. Rainbow Festival) or after work events (e.g. the command Christmas party and private parties). For non-duty activities, contractor personnel must comply with government ethics rules on cash contributions and gifts.

h. Government personnel may monitor contractor performance to ensure contract requirements are met, the government's interests are protected, and the government retains control and responsibility of the function. Monitoring the contractor's on-site performance is usually the responsibility of the COR. The COR is formally appointed by the Contracting Officer and is often identified by name in the contract. The COR may be

**05 JUN 2002**

supported by a duly appointed Technical Assistant (TA) located at the site of performance.

i. When government and contractor personnel are co-located in the same facility, identification of contractor employees is required to avoid the appearance of a personal services relationship and to prevent the unintentional release of competition sensitive information. Contractor employees must wear contractor name tags or identification badges. Workspaces such as offices or cubicles should also be identified as being occupied by contractor personnel. When answering telephones, contractor employees should first identify the NETPDTC office and then their company by name. If possible, e-mail directories should also identify contractor personnel (e.g. John Doe - CONT). Additional identification requirements may also be listed in the applicable contract.

j. Contractor and government employees are expected to work together in a congenial and professional manner. Contractor employee behavior shall be subject to statutory requirements listed in the applicable contract as well as law and regulations pertaining to all United States citizens. Inappropriate behavior in the work place includes, but is not limited to, sexual harassment and discrimination.

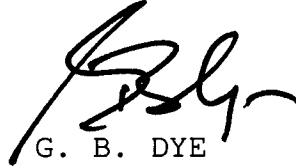
k. Questions concerning inappropriate behavior should be resolved at the lowest level of supervision possible, consistent with applicable statutes, contract clauses, and local operating instructions. Inappropriate behavior by contractor personnel should be reported via the COR to the contractor's on-site manager. Contractor employees shall follow their company's internal complaint/grievance procedures.

5. **Action**. All Department Directors will ensure this instruction is distributed within their areas of responsibility and that a copy is attached to command bulletin boards. All NETPDTC employees are held responsible for compliance. Due to the importance of maintaining the proper working relationship between government and contractor personnel, NETPDTC employees who fail to comply with this instruction may be subject to disciplinary action.

6. **Point of Contact**. Employees should contact their immediate supervisor or the Contracting Officer/COR for the applicable contract or the activity's legal office should they have specific concerns regarding the working relationship between contractor and government personnel. General questions

**05 JUN 2002**

regarding this instruction can be directed to James Coppenger,  
NETPDTC Contracts Division (N86), at (850)452-1001 extension  
1551.



G. B. DYE

Distribution: (NETPDTCINST 5216.1E)  
Lists I, IA, II

Web Access: MAIN INDEX  
<https://pennnd09.cnet.navy.mil/netpdtc/directives.nsf>